

# Homebuyers Adopt 'Wait and See' Attitude

## Following Expiration of Tax Incentives

FOURTH QUARTER 2010



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### ALAMEDA COUNTY

The pace of home sales slowed and home prices cooled across much of Alameda County during the fourth quarter as homebuyers adopted a wait and see attitude following the expiration of federal and state tax incentives that had buoyed both home sales and prices during much of the past two years, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Countywide, 2,306 existing, single-family detached homes were sold during the fourth quarter, a slight 2 percent decline from 2,343 homes sold in the third quarter but 15 percent below the 2,709 homes that changed hands in the final quarter of 2009. Sales figures continued to seesaw in the county's lower-priced cities, where large numbers of bank-owned and short sale transactions in recent years have helped Alameda County remain one of the Bay Area's most active home sales markets.

Closed transactions were sharply lower from the fourth quarter a year ago in 10 of the county's 15 local markets and were flat or slightly higher in four of the remaining five. The lone exception was Piedmont, where sales and prices were up

32 percent compared with fourth quarter of 2009 and 17 percent from the third quarter thanks to pent-up demand and a more active trade-up market.

Communities flooded a year ago with bargain-basement REO properties saw an increase in their median sales price as more moderately priced properties changed hands. That translated to a modest increase in the county's fourth quarter median sales price to \$429,699, up 6 percent from \$407,020 during the same period a year ago but down 3 percent from \$442,079 in the third quarter. Among the communities experiencing higher median sales prices on an annualized basis were Dublin (+15%), Hayward (+9%), Oakland (+8%), Pleasanton and Union City (+5%) and Berkeley and Newark (both +3%).

Looking ahead, renters are discovering there are many communities where it is more affordable to buy a home than to rent, and current homeowners are finding that 2011 may be a good time to trade up while interest rates are extremely favorable. Sellers seeking to price their homes are advised to study current pending sales trends, which may more accurately reflect the current market than closed sales prices.

### ALAMEDA COUNTY YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q4/10	Homes Sold Q4/09	% Change	Avg DOM* Q4/10	Avg DOM* Q4/09	Change (days)	Median Price Q4/10	Median Price Q4/09	% Change
Alameda	81	101	-20	50	40	10	\$590,000	\$601,000	-2
Albany	24	32	-25	22	30	-8	\$596,000	\$632,500	-6
Berkeley	127	122	4	42	33	9	\$675,000	\$632,500	3
Castro Valley	85	112	-24	60	41	19	\$432,000	\$495,000	-13
Dublin	86	83	4	42	37	5	\$701,250	\$610,000	15
Fremont	319	345	-8	52	40	12	\$560,000	\$563,000	-1
Hayward	291	348	-16	58	44	14	\$295,000	\$270,000	9
Livermore	205	208	-1	49	44	5	\$420,000	\$439,000	-4
Newark	59	86	-31	55	35	20	\$420,000	\$406,000	3
Oakland	593	739	-20	46	41	5	\$248,000	\$230,000	8
Piedmont	25	19	32	40	44	-4	\$1,176,000	\$1,001,000	17
Pleasanton	133	135	-1	61	47	14	\$705,000	\$669,300	5
San Leandro	149	194	-23	51	36	15	\$327,000	\$350,000	-7
San Lorenzo	57	69	-17	42	32	10	\$311,850	\$325,000	-4
Union City	72	116	-38	45	43	2	\$471,500	\$447,500	5

\* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

\*\*The median home price for the entire county is the mean of median home prices of cities within Alameda County.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number.